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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

IN THE MATTER OF:

CASE NO. 08-35653

CIRCUIT CITY STORES, INC.

DEBTOR

CHAPTER 11

**HARRIS COUNTY'S RESPONSE TO
DEBTORS' 27TH OMNIBUS OBJECTION TO CLAIMS**

TO THE HONORABLE COURT:

NOW COMES Harris County and responds to the Debtors' objection to its claim no. 220 and in support of its response would show the Court as follows:

I.

Harris County is a political subdivision of the State of Texas holding tax claims for unpaid 2008 and 2009 ad valorem taxes on business personal property owned by the Debtors.

II.

As of January 1 of each year these taxes accrued and were secured by a first priority lien that is unavoidable pursuant to the Texas Constitution, Article VIII, Section 15, and the Texas Property Tax Code, §§ 32.01, 32.05(b), and 32.07. See also Stanford v. Butler, 826 F.2d 353 (5th Cir. 1987); Universal Seismic Associates, Inc., 288 F.3d 205 (5th Cir. 2002); In Re Winn's Stores, Inc. 177 B.R. 253 (Bkcty W.D. Tex 1995).

III.

The Debtors have sold the County's collateral and its liens have attached to the cash proceeds therefrom.

IV.

The Debtors object to Harris County's claim no. 220 on the basis that they have no tax liability because the taxes have been paid in full or the Debtors did not own property within the jurisdiction.

Harris County would show the Court that, while some payments have indeed been made, the Debtors are still indebted to it for unpaid taxes on personal property within its jurisdiction for the 2008 and 2009 tax years. Unless and until these taxes are paid in full, its claim should not be disallowed.

V.

WHEREFORE, Harris County request the Court to enter an Order overruling the Debtors' objections and also requests such other and further relief to which the Court finds they are entitled.

Dated: September 2, 2009

Respectfully submitted,

/s/ Kevin A. Lake

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CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of September, 2009, I caused a true and exact copy of the foregoing to be served electronically upon all parties receiving notice via ECF and further upon counsel for the Debtors, Daniel Blanks, via electronic mail at DBlanks@McGuireWoods.com and via ECF and/or email on the following:

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